

TC-23 MONTHLY REVENUE SUMMARY

First Half FY2005-06

	1	2	3	4	5	6	7	8
	FY 2005 FINAL	FY 2006 LEG.&EXEC. CONSENSUS	FY 2006 LEG.&EXEC. Growth Rate	FY 2005 YEAR-TO- DATE	FY 2006 YEAR-TO- DATE	FY 2006 YEAR-TO- DATE	FY 2006 CONSENSUS TARGET **	Net Collections Difference
MAJOR* TAX SOURCES (In Millions of Dollars)	NET REVENUES	2/14/2005	to achieve Cons. Col 2 / Col 1	1/9/2005	1/9/2006	Growth Rate Col 5 / Col 4	1/9/2006 (Million \$)	from TARGET Year-to-date Col 5 - Col 7
SALES AND USE TAXES	1,634.52	1,675.00	2.5%	793.75	864.70	8.9%	839.15	\$25.54
INDIVIDUAL INCOME TAX	1,933.29	1,940.00	0.3%	969.63	1,095.73	13.0%	972.96	122.77
CORPORATE FRANCHISE TAX	198.89	210.00	5.6%	76.00	131.14	72.6%	69.36	61.78
BEER, CIGARETTE & TOBACCO	61.94	59.00	-4.7%	32.48	29.46	-9.3%	29.37	0.08
INSURANCE PREMIUM TAXES	67.35	70.00	3.9%	29.88	34.68	16.0%	32.46	2.22
SEVERANCE TAXES	64.93	49.50	-23.8%	27.27	42.03	54.1%	23.30	18.73
GENERAL & USF FUNDS	3,960.92	4,003.50	1.1%	1,929.01	2,197.73	13.9%	\$ 1,966.61	\$231.12
MOTOR FUEL TAX	241.48	239.00	-1.0%	124.31	125.87	1.3%	122.70	\$3.17
SPECIAL FUEL TAXES	93.84	93.50	-0.4%	48.07	52.85	10.0%	48.31	4.55
MOTOR VEHICLE REGIS. FEES	30.69	33.12	7.9%	15.09	15.92	5.5%	15.40	0.52
TRANSPORTATION FUND	366.01	365.62	-0.1%	187.47	194.64	3.8%	\$ 186.40	\$8.24

* The Economic and Statistical Unit only estimates targets for the top 12 revenue sources for the non-restricted General, Uniform School and Transportation Funds. These sources generally constitute about 95 percent of non-restricted revenue (excluding restricted funds & federal funds). This report only tries to estimate the major (non-restricted) fund revenue outlook for the first **6 months** of the fiscal year, and as such does not attempt to be an exhaustive review of state finances.

** The Economic and Statistical Unit uses exponential smoothing-time series models to calculate the monthly estimates (Column 7) that correspond to "Legislative & Executive Consensus" (Column 2) revenue estimates for the fiscal year.

*** December (monthly) revenues, which comprise receipts from **November economic activity**, indicate that:

- 1) General Fund sales tax collections were **up only 2%**, but, pursuant to HB 1008, 1st Special Session in 2005, **\$30 million** was **earmarked** to the Centennial Highway Fund. Otherwise, state sales tax collections would have grown 15% for the month of November, higher than expected
- 2) Withholding or payroll tax collections were up 16%, more than expected, but followed a 4% gain in November
- 3) Corporate Franchise taxes were up 55%, higher than expected. Strong sales, controlled labor costs, repatriation of foreign profits and the end of bonus depreciation have boosted taxable Utah profits
- 4) Motor fuel taxes were down 7.3%, lower than expected. Perhaps, consumers are driving a bit less due to the high prices now
- 5) The 18% drop in the General Fund's beer tax (and therefore 9.3% drop in the combined "Beer Cigarette Tobacco" category above) is due to early-year **earmarking** required by law to the Alcoholic Beverage Enforcement and Treatment Restricted Account.
- 6) Oil and gas severance taxes were off 186% as the Commission refunded \$3.4 million in December. The refunds were mostly due to a Supreme Court ruling on a Tax Commission case relating to where to value oil and gas.